CITY HALL COUNCIL CHAMBERS
SANTA MARIA, CALIFORNIA
CITY COUNCIL & REDEVELOPMENT AGENCY
REGULAR MEETING

SEPTEMBER 6, 2011

INVOCATION:
Lt. Paul Swain of the Salvation Army gave the invocation.

PLEDGE OF ALLEGIANCE TO THE FLAG:
Councilmember Cordero led the Pledge of Allegiance.

CALL TO ORDER:
Mayor Lavagnino called the Regular Meeting of the City Council and the Redevelopment Agency to order at 6:30 p.m.

ROLL CALL:
MEMBERS PRESENT
Councilmembers/Board Members Boysen, Cordero, Orach, Patino, and Mayor/Chairperson Lavagnino.

STAFF MEMBERS PRESENT
City Manager Ness, City Attorney Trujillo, Assistant City Manager Haydon, Fire Chief Jones, Police Chief Macagni, Director of Public Works/City Engineer Whitehead, Director of Community Development Appel, Director of Administrative Services Visé, Director of Utilities Sweet, Director of Recreation and Parks Posada, Planner II Albro, and Deputy City Clerk Garietz.

Mayor Lavagnino stated one proclamation was inadvertently left off the agenda and stated he would present that one first.

PROCLAMATION – MODEL A FORD
Mayor Lavagnino read a proclamation declaring September 10, 2011, as "International Model A Ford Day" in the City of Santa Maria commemorating the Santa Maria A's Ninth Annual All-Ford Car Show in Old Orcutt. The proclamation was accepted by Jay McCord.

RESOLUTION HONORING DENNIS CARTER
Councilmember Orach read Resolution No. 2011-102 recognizing and commending Dennis Carter for his many years of dedicated service to the Santa Maria community as a member of the Block Grants Advisory Committee and wishing him the best in his future endeavors. The resolution was adopted on motion by Councilmember Orach, seconded by Councilmember Cordero, and carried on the following vote:

AYES: Councilmembers Boysen, Cordero, Orach, Patino, and Mayor Lavagnino
NOES: None
ABSENT: None
ABSTAIN: None

Resolution No. 2011-102 adopted. A RESOLUTION RECOGNIZING AND COMMENDING DENNIS CARTER FOR HIS OUTSTANDING SERVICE TO THE RESIDENTS OF SANTA MARIA AS A MEMBER OF THE BLOCK GRANTS ADVISORY COMMITTEE.

Mr. Carter was not present to accept the Resolution. Councilmember Orach accepted it on his behalf.

RESOLUTION HONORING LAURA MOHAJER
Councilmember Boysen read Resolution No. 2011-103 recognizing and commending Laura Mohajer for her many years of dedicated service to the Santa Maria community

as a member of the Block Grants Advisory Committee and wishing her the best in her future endeavors. The resolution was adopted on motion by Councilmember Boysen, seconded by Councilmember Orach, and carried on the following vote:

AYES: Councilmembers Boysen, Cordero, Orach, Patino, and Mayor Lavagnino
NOES: None
ABSENT: None
ABSTAIN: None

Resolution No. 2011-103 adopted. A RESOLUTION RECOGNIZING AND COMMENDING LAURA MOHAJER FOR HER OUTSTANDING SERVICE TO THE RESIDENTS OF SANTA MARIA AS A MEMBER OF THE BLOCK GRANTS ADVISORY COMMITTEE.

Ms. Mohajer thanked the City Council, the Block Grants Advisory Committee, and City Staff.

PROCLAMATION - NATIONAL LITERACY MONTH
Councilmember Patino read a proclamation declaring the month of September 2011 as "National Literacy Month" in the City of Santa Maria and encouraging all Santa Marians to increase community literacy by becoming members of the Central Coast Literacy Council, participating in the upcoming Spelling Bee on September 17, 2011, becoming a tutor, or becoming a literacy learner. The proclamation was accepted by Dr. Isa Ponce-Jimenez, Executive Director of the Literacy Council.

PROCLAMATION – A DAY OF OBSERVANCE
Mayor Lavagnino read a proclamation commemorating the 10th Anniversary of the September 11, 2001, terrorist attack on the United States and declaring September 11th of each year "A Day of Observance" in the City of Santa Maria to commemorate the events of September 11, 2001. The proclamation was accepted by Police Chief Danny Macagni and Fire Chief Jeff Jones.

PUBLIC COMMENT
Ernest Armenta spoke about public safety and employee bargaining units' labor contracts renewing at the end of the year. He warned about Councilmembers receiving endorsements from these groups indicating that it was a twisted form of friendship.

Nancy Stewart commended the Recreation and Parks Department for their summer events, specifically the Concerts in the Park, as well as the Police and Fire Departments for their service in commemoration of the 10th Anniversary of the 9/11 terrorist attacks.

CONSENT CALENDAR
Councilmember Cordero announced he would be abstaining from voting on Item 3F – Ordinance No. 2011-07 since he was not in attendance at the meeting where the Ordinance was introduced.

Councilmember Boysen asked to comment on Items 3G and 3L.

Item 3G – Homeland Security Assistance to Firefighters Grant
Councilmember Boysen asked if the City gives consideration to local vendors or provides an incentive for local vendors.

Fire Chief Jones confirmed that the City did give consideration to local vendors; however, the only local vendor indicated that it was a "wholesale only" vendor and utilized outside sales people for the sale of its products. He was not aware of any incentives being provided during the bidding process. From the three bids received, consideration was given to the most responsible, responsive and competitive pricing provided to the City.

Item 3L – Angle Parking on West Cypress and Curryer Streets.
Councilmember Boysen asked if there were statistics or any evidence available regarding accidents as a result of angled parking versus straight parking.

Director of Public Works Whitehead indicated that he was not aware of accident history on either Cypress or Church Streets where the angle parking exists.

Consent Calendar Items 3A through 3M were approved on motion by Councilmember/Board Member Orach, seconded by Councilmember/Board Member Patino, and carried on the following vote:

AYES: Councilmembers/Board Members Boysen, Cordero (except Item 3F), Orach, Patino, and Mayor/Chairperson Lavagnino
NOES: None
ABSENT: None
ABSTAIN: Councilmember Cordero (Item 3F only)

A. ORDINANCES
The reading in full of all ordinances and resolutions was waived. Ordinances on the Consent Calendar were adopted by the same vote cast at the first reading unless City Council indicated otherwise.

B. MINUTES
The Minutes of the Regular City Council Meeting of August 2, 2011, were approved as submitted. The Minutes of the Special Joint Meeting of the City Council/Redevelopment Agency of August 25, 2011, were approved as submitted.

C. WARRANTS
Warrant Nos. 167370 to 168148 totaling $4,777,845.69 were ordered ratified subject to having been certified as being in conformity with the budget and having been approved for payment by the Director of Administrative Services. Warrant Nos. 159602, 161968, 162291, 162402, 162787, 164619, 165375, 165846, 166934, 166952, 167168, 167272, 167434, 167469, 167668, 168127, and 168128 were cancelled.

D. PAYROLL
Payment of payroll was ordered ratified subject to having been certified by the proper Department Heads, as shown on records on file in the Department of Administrative Services and having been approved for payment by the Director of Administrative Services.

E. APPROPRIATION LIMIT
Resolution No. 2011-104 was adopted establishing the City of Santa Maria's 2011-12 appropriation limit of $117,534,220.

Resolution No. 2011-104 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, ESTABLISHING THE APPROPRIATION LIMIT FOR 2011-12.

F. ORDINANCE NO. 2011-07
The City Council conducted the second reading of Ordinance No. 2011-07 by title only and adopted the ordinance in order to comply with the Voluntary Alternative Redevelopment Program.

Ordinance No. 2011-07 adopted. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, DETERMINING IT WILL COMPLY WITH THE VOLUNTARY ALTERNATIVE REDEVELOPMENT PROGRAM PURSUANT TO PART 1.9 OF DIVISION 24 OF THE CALIFORNIA HEALTH AND SAFETY CODE IN ORDER TO PERMIT THE CONTINUED EXISTENCE AND OPERATION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SANTA MARIA IN THE EVENT THE CALIFORNIA SUPREME COURT ULTIMATELY DETERMINES THAT AB 1X 26 AND AB 1X 27 ARE CONSTITUTIONAL.

G. FIREFIGHTERS ASSISTANCE GRANT
Resolution No. 2011-105 was adopted approving the Fire Department's submission of a Department of Homeland Security Assistance to Firefighters Grant application for approximately $143,500 for the replacement of fire hose and nozzles, and to authorize the Fire Chief to sign documents associated with this funding on behalf of the City.

Resolution No. 2011-105 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING THE SUBMISSION OF AN APPLICATION FOR ASSISTANCE TO FIREFIGHTERS GRANT FUNDS.

H. NOTICE OF COMPLETION

The City Council approved the Notice of Contract Completion for the SMAT Intermodal Transit Center, Bid No. 2010/03.

I. AWARD OF BID

Resolution No. 2011-106 was adopted awarding the bid and approving a contract with International Surfacing Systems for Street Maintenance (Chip Seal), Bid No. 2012/01, including Additive Alternate A in the amount of $621,496.

Resolution No. 2011-106 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING A CONTRACT WITH INTERNATIONAL SURFACING SYSTEMS FOR STREET MAINTENANCE (CHIP SEAL). BID NO. 2012/01.

J. CALL FOR BIDS

The City Council gave approval to call for bids on the plans and specifications for Bid No. 2012/03, Landfill Concrete Drainage Swale.

K. PROPOSITION 1B FUNDS

Resolution No. 2011-107 was adopted approving the Proposition 1B Infrastructure Bond Funds - Local Streets and Roads (LSR) Funding Proposal for a maximum amount of $1,342,921.

Resolution No. 2011-107 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING THE PROPOSITION 1B LOCAL STREETS AND ROADS FUNDING PROPOSAL.

L. ANGLE PARKING

Resolution No. 2011-108 was adopted establishing angle parking on the southerly side of West Cypress Street between Depot Street and Smith Street and between Smith Street and Curryer Street.

Resolution No. 2011-108 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, ADOPTING ANGLE PARKING ON WEST CYPRESS STREET PURSUANT TO SECTION 7-5.24 OF THE SANTA MARIA MUNICIPAL CODE.

M. GRANT OF EASEMENT

Resolution No. 2011-109 was adopted granting an easement to Southern California Gas Company.

Resolution No. 2011-109 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, GRANTING AN EASEMENT TO SOUTHERN CALIFORNIA GAS COMPANY FOR THE CONSTRUCTION, OPERATION AND MAINTENANCE OF A GAS PIPELINE AT LOS FLORES RANCH.

APPOINTMENT TO BLOCK GRANTS ADVISORY COMMITTEE.

Records Coordinator/Deputy City Clerk Garietz gave the staff report. The City Council is requested to make one appointment to the Block Grants Advisory Committee and direct staff to readvertise the remaining vacancy as insufficient applications were received. One application was received from Carl Nielsen. Councilmember Boysen or Councilmember Orach will make the nomination.

Councilmember Boysen nominated Carl Nielsen.

On motion by Councilmember Boysen, seconded by Councilmember Cordero, and carried on the following vote:

AYES: Councilmembers Boysen, Cordero, Orach, Patino, and Mayor Lavagnino
NOES: None
ABSENT: None
ABSTAIN: None

Carl Nielsen was appointed to a three-year term on the Block Grants Advisory Committee ending in July 2014.

PRESENTATION OF THE SANTA MARIA VALLEY CHAMBER OF COMMERCE ECONOMIC DEVELOPMENT COMMISSION YEAR-END REPORT FOR THE PERIOD JULY 1, 2010, THROUGH JUNE 30, 2011.

Robert Hatch, Chairperson of the Economic Development Commission (EDC), introduced Dave Cross who gave the report. The EDC is a department of the Santa Maria Valley Chamber of Commerce and markets the City of Santa Maria and the Santa Maria Public Airport to prospective companies. It also provides an extensive array of retention programs geared toward strengthening the current base of industrial, retail and manufacturing. While these are difficult economic times, Santa Maria has been proactive in its economic development efforts and will be well positioned to benefit from future investment and expansion when the economy improves. The EDC is continuing outreach efforts and taking full advantage of the resources of the Chamber of Commerce to accomplish goals and objectives. This includes retention efforts and keeping existing businesses involved and engaged. In conjunction with the Visitor and Convention Bureau, marketing advertisements appeared in *Pacific Coast Business Times, Skywest Magazine,* the CALED Directory, *Global Corporate Xpansion Magazine, Business Facilities Magazine,* and the *Trade and Industry Development Magazine.* The EDC continues to weigh other advertisement options for 2011-12 to get the most effective marketing possible. During the course of 2010-11, the EDC handled new company queries, commercial real estate requests, business license information, provided permit assistance, area demographic reports for prospects, entrepreneurial recommendations, set up meetings and factory tours, coordinated with departments and agencies, and other miscellaneous day-to-day services. Factory tours have been combined with informative presentations. The EDC also attended numerous economic forums and has made presentations in support of economic development. The EDC partnered with the Santa Maria Airport District. The projects it has planned will enhance the region's future economic development, specifically the runway expansion which provides the prospect of additional flights and destinations, and even the possibility of additional airlines. After over a decade of planning and overcoming hurdles, the Airport Business Park is preparing to submit a request for qualifications for future industrial development, as well. In July 2010, the EDC proposed a stimulus effort to help the local economy and examined efforts in other California cities. After reviewing all options, it was determined that the best plan to get maximum benefit would be a campaign to help boost retail sales in the 4th quarter which is a "make or break" time for many local merchants. This resulted in the Chamber of Commerce's extensive "Thanks for Shopping Santa Maria" campaign that focused on the concept that when you shop Santa Maria, you are supporting not just your local merchants, but city services and local non-profits as well. The EDC publishes a monthly newsletter that is distributed electronically and contains important news, information, studies, and events that concern existing businesses as well as those looking at Santa Maria for future relocation and expansion. The EDC also has an interactive magazine which has become a very successful prospecting tool. The EDC and Chamber of Commerce remain engaged with local businesses to assure them that both operate on their behalf, as well as continue support of the Santa Maria Airport District.

Councilmember Patino asked if the entrepreneur partnership with Hancock College was similar to the incubator program that was available a few years ago, and if it would be considered again.

Mr. Cross indicated that the Entrepreneurial Center was different in that it provided access to resources; whereas the incubator program provided an actual office for entrepreneurs and businesses. It had been a constant effort obtaining funding for the

incubator program. Hancock College had the funding to support the Entrepreneurial Center and the resources to continue it.

Mayor Lavagnino received and filed the report.

PRESENTATION OF THE SANTA MARIA VALLEY CHAMBER OF COMMERCE AND VISITOR AND CONVENTION BUREAU YEAR-END REPORT FOR THE PERIOD OF JULY 1, 2010, THROUGH JUNE 30, 2011.

Gina Keough, Visitor and Convention Bureau (VCB) Manager, gave the Year-End Report. The VCB provides marketing services for the City and is positioned as its destination marketing organization. Through the branding and media relations programs the VCB has gained recognition of the Santa Maria Valley as not only a leisure destination, but also a host city for special events, meeting/conventions, tournament play, group tours, and filming. During the 2010-11 fiscal year, transient occupancy tax totaled $2,363,467.21. The VCB's advertising program centers on inclusion in top industry resource in print and online, extremely important in gaining visibility and awareness of all Santa Maria has to offer. During the 2010-11 fiscal year, outreach took many forms. Santa Maria Style Barbecue continues to be a hot item, garnering continuous press in the media and inspiring many online searches. Working with regional marketing organizations has been hugely beneficial, especially the Central Coast Tourism Council and the California Travel and Tourism Commission. VCB staff attended several trade shows during the year including SAVOR the Central Coast, Seasonal Spectacular, LA Travel and Adventure Show, Sunset Celebrations Weekend, International POW WOW and CTTC's Canadian Sales Mission. Feature stories about the Santa Maria Valley appeared in *California*, *California's Central Coast*, *Santa Barbara*, *Vandenberg Base Guide*, *Sunset Magazine*, and *Westways Mazagine*.

Councilmember Cordero asked if Spanish speaking members of the community or business owners who contacted the Chamber would be cared for in the event they called for questions or assistance.

Ms. Keough confirmed that there are at least two Spanish-speakers in their office who could address questions presented by the Spanish-speaking community or business owners.

Councilmember Patino thanked the Chamber for the advertisement on "Thank You for Shopping Santa Maria" campaign.

Bob Hatch stated they were in the process of revamping the ad for the current holiday season. It was important for people to remember that if they shop in Santa Barbara or San Luis Obispo, they are helping to buy their fire trucks and pave their streets.

Mayor Lavagnino thanked Ms. Keough for the report and received and filed the report.

AMENDMENT TO THE LAND USE ELEMENT AND THE CIRCULATION ELEMENT OF THE GENERAL PLAN, FILE NOS. GP-2011-001 AND E-2011-019 (CITYWIDE).

Director of Community Development Appel introduced Planner II Albro who gave the staff report. The City Council will consider approving a Negative Declaration of Environmental Impact and the 2011 updates to the Land Use Element and Circulation Element. The Land Use Element was adopted in 1991, and the Circulation Element was adopted in 1994. As of July 20, 2011, there have been nine text amendments to the Land Use Element and ten text amendments to the Circulation Element since their respective adoption dates. The primary objective for amending the Land Use Element and Circulation Element is to eliminate obsolete language. For example, since its adoption in 1991, a primary focus of the Land Use Element has been on annexations. Over the years, these areas have been largely annexed, with subsequent specific plans adopted, and in some cases, entire areas have been built out. The Specific Plans most recently adopted were: Mahoney Ranch North, Enos Ranchos, and the Airport Business Park. Selected goals for street improvements which were included in the Circulation Element adopted in 1994, have likewise now largely been accomplished. Most recent changes to the Circulation Element involved Union Valley Parkway and the Bikeway Master Plan. Along with the removal of obsolete language, the amendment updates certain graphics, and includes references to other adopted plans and physical changes already implemented by the City. Only minor editorial changes are currently proposed;

no policy changes are involved. No changes to land use intensity are proposed in the Land Use Element amendment. The Circulation Element amendment does not propose to add, delete or realign any road designations.

In the next two years, the Community Development Department anticipates further comprehensive amendments to the Land Use Element and Circulation Element. This is due to the preparation of a "Sustainable Communities Strategy" currently being prepared by the Santa Barbara County Association of Governments (SBCAG). The current time for SBCAG to adopt this Strategy, which is required by State law (SB 375) to address Greenhouse Gas emissions, is Winter 2013. The broad scope anticipated for the future amendments will likely involve significant research efforts to embellish the Elements with additional historical context, which will serve as a framework for any new policy directions to be considered at that time.

On July 20, 2011, the City Planning Commission unanimously adopted Resolution No. 2590, recommending the filing of a Negative Declaration, and Resolution No. 2591, recommending approval of the amendments to the General Plan.

Mayor Lavagnino opened the public hearing. Hearing no requests to speak, Mayor Lavagnino closed the public hearing.

Resolution No. 2011-110 was adopted approving the filing of a Negative Declaration of Environmental Impact on motion by Councilmember Orach, seconded by Councilmember Boysen, and carried on the following vote:

AYES: Councilmembers Boysen, Cordero, Orach, Patino, and Mayor Lavagnino
NOES: None
ABSENT: None
ABSTAIN: None

Resolution No. 2011-110 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING THE FILING OF A NEGATIVE DECLARATION, E-2011-019, FOR THE 2011 AMENDMENT TO THE LAND USE ELEMENT AND THE CIRCULATION ELEMENT OF THE GENERAL PLAN, FILE NO. GP-2011-001.

Resolution No. 2011-111 was adopted approving the updates to the Land Use Element and the Circulation Element on motion by Councilmember Orach, seconded by Councilmember Patino, and carried on the following vote:

AYES: Councilmembers Boysen, Cordero, Orach, Patino, and Mayor Lavagnino
NOES: None
ABSENT: None
ABSTAIN: None

Resolution No. 2011-111 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING THE 2011 AMENDMENT TO THE LAND USE ELEMENT AND THE CIRCULATION ELEMENT OF THE GENERAL PLAN, FILE NO. GP-2011-001.

FINANCIAL REPORT FOR THE FOURTH QUARTER ENDING JUNE 30, 2011, AND A BUDGET AMENDMENT REPORT FOR FISCAL YEAR 2010-11.

Director of Administrative Services Visé gave the staff report. With 100 percent of the year complete, revenues are at 95.2 percent of projections while expenditures are at 93.2 percent of appropriations. He emphasized that this was the unaudited year-end report and the books have not yet been closed; therefore, the numbers presented are still preliminary. For 2010-11, the City budgeted $54.7 million in appropriations for the General Fund, and (preliminarily) spent only $51 million which is $3.7 million under budget. On the revenue side, the City budgeted to receive $53.7 million, but actually collected $51.1 million which is $2.6 million under budget. $1.2 million of that revenue was one-time in nature. The City ended the year "breaking even" with a surplus of $147,080. It was not necessary to transfer any money from the Local Economic Augmentation Fund (LEAF) for 2010-11. This feat was accomplished by City staff because everyone worked very, very hard to keep all expenses down during the year.

Staff was able to save $3.7 million during the fiscal year by not filling positions when positions became vacant, reducing overtime expenses to bare minimums, decreasing travel expenses to mission critical purposes, and deferring all but the essential capital projects, etc. This herculean effort allows the City to enter the 2011-12 year on a more positive note. The six major revenue sources account for approximately 68 percent of the total General Fund revenues. The sluggish economy has taken a heavy toll on the City's revenues. The majority of revenues have remained stagnant, at low levels, since the recession officially ended. In the Water/Wastewater Fund, expenditures exceeded revenues by $4.2 million, primarily because of large capital project expenses and declining water consumption. In 2010-11, the Water/Wastewater Fund spent $2.7 million on capital projects such as the fixed-base metering project for $1.7 million and $449,000 on water main replacements. In the Solid Waste Fund, refuse expenses exceeded revenues by $3.3 million. Expenditures included $4.6 million of capital, which contributed to the annual loss. The most significant expenditure was $2.7 million for the Los Flores Ranch Development Plan and $1,054,000 on the new green waste recycling program. There are sufficient reserves in the Solid Waste Fund to cover the anticipated negative cash flow resulting from the loss. He discussed revenue comparisons from 2007-08 to 2010-11 and highlighted the proposed budget amendments for Council's consideration.

Mayor Lavagnino thanked the Department Heads and City Staff for putting the City in a position where it did not have to withdraw funds from LEAF. Even with the Propositions and Bills that were passed by the voters telling the State it could no longer take local government funds from cities, it didn't seem to make a difference. The State will find a way to extort it from them.

Councilmember Boysen stated that Staff was to be commended for their hard work and diligent efforts. He presented some numbers for the Council's consideration, and made comparisons of the revenue and expenditure projections from certain categories that were presented on June 21st to those presented tonight. He stated that, in almost every case, the projections exceeded what actually happened. The numbers improved by almost $2.2 million. Decisions were made regarding budget reductions, cuts to Public Safety and Code Compliance that were made based on pessimistic expectations for FY 2011-12 and the numbers being projected for the same period. The City has significantly exceeded those projections. The information presented in June and what the Council relied on to decide to cut Public Safety was not based upon accurate information. He recognized that the City was in dire economic times. He was not recommending going on a spending spree; but going forward, he was concerned about making budget cuts when the City was exceeding its expectations.

City Manager Ness clarified that the numbers presented to Council by Mr. Boysen this evening were not shared with him prior to the meeting. He pointed out that the figures presented in June 2011 were based on straight-line projections of revenues and expenses estimated from March 2011 for a June-end of fiscal year. He stated he would accept a 1 percent variance in revenues and 3 percent variance in expenditures for a $51 million budget any day of the week. Councilmember Boysen's analysis ignored the fact that the City's General Fund budget has experienced a $10 million reduction in annual ongoing revenues when comparing Fiscal Year 2007-08 to 2010-11. Revenues were starting to trend back upward, but not as fast as they had hoped; and nowhere near what they were at their height in Fiscal Year 2007-08. It was because of the diligent work of the Department Heads and City staff who saved over $3.7 million in appropriations that allowed the City to enter Fiscal Year 2011-12 in a more favorable position. City Manager Ness indicated that preliminary numbers show that actual expenses versus actual revenues in the General Fund came within $147,000 to the black. Comparing that number to $51 million, it equals .0029 percent. He didn't think he could get closer than that.

Councilmember Boysen stated that he was not suggesting they did not have a crisis in the City, State, and Federal Government. He was suggesting they were making very short term decisions to not fill Public Safety positions at the cost to the quality of life in the City. Cuts were based on numbers provided back in June, and it turned out those numbers were significantly better than anticipated. He thought mid-year decisions were based on adjustments that had to be made based on revised estimates.

City Manager Ness clarified that the City budget has never experienced what the City is going through today. It was unprecedented. Staff is not making short-term decisions to not fill positions or making cuts to departmental budgets based on straight-line projections from March to June. Staff is looking at a wider angle, longer term, to right size the budget to accommodate the declining revenues into the future.

Councilmember Cordero commented that not filling some positions, no matter what department they were in, was because there was some concern that the City would not be able to pay for those positions two years down the road. Positions were filled into perpetuity, and the City didn't want to have to cut the positions next year.

City Manager Ness agreed indicating that it didn't make sense to refill positions immediately and then in the next budget cycle have to lay them off.

Councilmember Orach thanked City Staff who have taken concessions and continue to work very hard in their jobs. Unfortunately, the state of the economy is impacting everyone at all levels. He stated after having been on the Council for a long time, Staff has emphasized very conservative estimates every year.

Councilmember Patino commented that the City didn't know what was coming down the road. There were a lot of "ifs." When NHIS was approved and 16 police officers and 9 firefighters were hired, it was a little scary because the money didn't come in right away. The City doesn't want to make that mistake again. She asked the percentage of the transit user fares. She thanked City Staff for making this budget a little more rosy than the Council thought it would at this time.

Director of Public Works Whitehead stated that the fare box ratio was over 20 percent, and confirmed that 20 percent was required to qualify for certain grant funds.

Councilmember Cordero asked how long the General Fund covered the 25 positions before the NHIS came through.

City Manager Ness stated that it was approved as part of Fiscal Year 2001-02 budget. Revenues did not start coming in until around Fiscal Year 2003-04, escalating in 2004-05, and peaking in 2007-08. The City has received over $29 million in revenues since the beginning of the NHIS program that helped to offset the cost of the police officer and firefighter positions.

Resolution No. 2011-112 was adopted approving an amendment to the budget on motion by Councilmember Patino, seconded by Councilmember Cordero, and carried on the following vote:

AYES: Councilmembers Boysen, Cordero, Orach, Patino, and Mayor Lavagnino
NOES: None
ABSENT: None
ABSTAIN: None

Resolution No. 2011-112 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING AN AMENDMENT TO THE 2010-11 BUDGET AND AUTHORIZING THE CITY MANAGER TO IMPLEMENT SAME.

CITY MANAGER'S REPORT

City Manager Ness reported on items anticipated for the September 20, 2011, City Council meeting including several items from the Traffic Committee, a Call for Bids on the Street Overlay project, AB 1600 Growth Mitigation Annual Report, and four Proclamations.

ORAL REPORTS BY COUNCILMEMBERS

Councilmember Cordero reported that he attended the groundbreaking ceremony at Hancock College Children's Center, a meeting at Good Samaritan, a fundraiser event in the Bay Area, a recital at the Episcopal Church, 50-Year Anniversary of the Mussell Senior Center, an Altrusa meeting, a Concert in the Park at Centennial Park, the Drug Court Graduation with Judge Flores, a Policy Council meeting for CAC, a preparation meeting for the Fiesta event for the Boys and Girls Club, the Annual Awards Dinner

where Tim Ness was awarded the Robert F. Grogan Award at the Elks, a barbeque fundraiser payoff event that supported the Special Olympics in Laguna Beach, the Back-A-Youth Night Event, and a Peace Week Committee meeting.

Councilmember Orach announced that the All-America City Committee Neighborhood Outreach event in the Newlove area had changed to September 11 at the Newlove Community Center, and reminded everyone about the Tastes of Mexico event sponsored by P.L.A.Y. He reported that he attended the Chamber Annual Awards Dinner, a few concerts in the park, and the Annual LAFCO conference in Napa.

Mayor Lavagnino reported that he attended several Concerts in the Park, the 50-Year Anniversary of the Mussell Senior Center, the Mayors' lunch in Lompoc, the Real Estate Roundtable, the Chamber of Commerce Installation and Annual Awards Dinner, the SBCAG and APCD in Santa Barbara, the Joe White Fundraiser and Dinner, the Special City Council Meeting on the Redevelopment Agency, threw the football out for the Santa Maria Youth Football League Kickoff, met with the Lew Edwards Group on consulting, attended the Moose Lodge 100-Year Anniversary, and the Historical Society event at PCPA.

Councilmember Patino reported that she attended the Concerts in the Park; the Transportation Committee meeting regarding Measure A, the 50-Year Anniversary of the Mussell Senior Center, a Code Compliance Board meeting, a Fighting Back Santa Maria Valley Board Meeting, the Chamber Business Lunch, the Chamber of Commerce Installation and Annual Awards Dinner, the Natural History Museum Mixer, a Manufacturers Association meeting, a Partners for the Environment meeting, a Special City Council meeting, a Peace Week meeting, the Thunder in the Valley at the Santa Maria Airport; met with the Lew Edwards Group on consulting, another Peace Week meeting, and read to preschoolers.

Councilmember Boysen reiterated an idea that was presented by Councilmember Patino regarding the establishment of a citizens review committee for police complaints. He suggested that the citizen review panel be the City Council. He spoke of an event at Buena Vista Park from 4-6 p.m. on September 21st for 800 individuals and their families to celebrate their successful recovery from drug and alcohol addiction.

ADJOURNMENT
There being no further business to come before the City Council at this time, the meeting was declared adjourned at 8:45 p.m. by Mayor Lavagnino.

APPROVED

September 21, 2011
Date

Deputy City Clerk and ex officio Clerk of the City Council

ATTEST

Deputy City Clerk

Mayor